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September 19, 2001

EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communication Commission
445 12th Street, SW
Washington, D.C. 20554

Re: CC Docket No. 01-140; Bell Atlantic Telephone Companies Revisions in Tariff FCC Nos. 1 and 11, Transmittal Nos. 1373 and 1374; Verizon Telephone Companies Tariff FCC Nos. 1 and 11, Transmittal Nos. 23 and 24.

Dear Ms. Salas:

In a recent conversation with Tamara Preiss, Jay Atkinson and Paul Zimmerman from the Common Carrier Bureau, Verizon was asked to provide an explanation of the company's methodology for calculating the costs of DC power in the above-referenced tariff transmittals. Specifically, staff asked how the company uses different amperages to take the different pieces of power equipment down to a unit cost per amp, instead of dividing the total power investment by the total amp demand for the central office.

Verizon Power engineers plan and design power plants for growth over time. The maximum size of a power plant is ultimately determined by the amperage capacity of its microprocessor. Accordingly, if 1200 amps are required at the time the power plant is installed, Verizon's engineers will typically install a 2600 amp microprocessor, allowing for future power plant growth. The power plant would have a 2600 amp microprocessor, but the rectifiers, batteries and other equipment would carry initial total amperage rating in the neighborhood of only the 1200 amps required. Verizon's engineers would then increase the number of battery strings, rectifiers, etc. and with them the total amperage output in those components, as the demand for power plant capacity grew over time. To invest in this power plant equipment only when the situation calls for more power capacity is both efficient engineering and an efficient use of capital.

The Verizon cost study is designed to develop the incremental cost of installing the initial power plant. To divide this initial power plant by the central office amp demand (1200 amps in the above example) would overstate the per amp cost of the microprocessor. If the entire power plant demand was taken up to the full 2600 amps of microprocessor capacity, additional batteries, rectifiers, etc. would be required to also provide 2600 amps. The total cost of the additional equipment then divided by the 2600 amps would yield the same cost per amp as the fewer pieces of equipment divided by the lower amps. The incremental approach is better than trying to develop a "typical" job, since the size of the jobs can vary greatly.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Bell".

Cc: Tamara Preiss
Jay Atkinson
Paul Zimmerman